

How to Use Statewide Contract

PRF59A Designated OSC (Electronic Payment Solutions)

Contract:	PRF59A Designated OSC
MMARS #:	OSDMA PRF59A Designated OSC
Contract Duration:	Effective Date – 1/31/2019
Options to renew:	Two one year renewal options through 1/31/21
Contract Manager:	Patricia Davis, eCommerce Coordinator – Patricia.Davis@state.ma.us
Last change date:	11/17/15

Contract Summary:

The goal of PRF59A Designated OSC is to align the Commonwealth's customer expectations for modern and efficient government payment processes with their customer experience. This contract replaces and expands the service offering of the prior Statewide Electronic Payments contract, PRF44 Designated OSC. Eligible entities may leverage this contract to engage the selected vendor that best meets their requirements for web payment page hosting, IVR hosting, and newer payment channels and methods such as kiosk or mobile. Credit, debit, and traditional ACH transactions such as CCD, WEB, and TEL are facilitated through the services of these payment solutions vendors. Commonwealth entities may or may not choose to implement all available payment channels and methods, but will do so according to their respective business requirements.

In this contract, the Commonwealth of Massachusetts Strategic Sources Servicing Team (SSST) qualified three vendors to provide secure electronic payments solutions and associated integration, in a variety of physical and virtual locations and settings. The three vendors are certified on the Visa Global Registry of Service Providers and the MasterCard Compliant Service Provider lists. The payment solution services provided under this Statewide Contract are available to all Commonwealth eligible entities. PRF59A Designated OSC is the sole Statewide Contract for Electronic Payment Solutions which must be used by Required Users and should be used by Recommended and Optional Users in order to achieve the most cost effective pricing for the Commonwealth and its customers.

The Comptroller has broad authority to prescribe accounting rules and instructions for all state Departments and the appropriate use of the state accounting system. Pursuant to [G.L. c. 7A, § 7](#), [G.L. c. 7A, § 8](#), [G.L. c. 7A, § 9](#) and [G.L. c. 29, § 31](#) the Comptroller is required to implement a state accounting system (including a centralized payroll system) and issue instructions for the accounting practices to be used by all Departments for supplies, materials, assets, liabilities, equity, debt, encumbrances, expenditures, revenues, expenses and obligations of all Commonwealth funds and accounts, including payroll, unless specifically exempted by general or special law. The Comptroller has full authority to prescribe, regulate and make changes in the method of keeping and rendering accounts and is authorized to direct state Departments to implement changes in their systems to meet these statewide standards.

The Comptroller has full authority to review the authority for a State Department to collect and record revenue, and to prescribe the appropriate process for recording that revenue once collected. In addition, the Comptroller has full authority to review the mediums, applications or processes that are used or may be used to collect, handle, process, transfer or remit revenue. Department are instructed that any application, medium, process, software, hardware,

application, or other medium that collects, handles, processes, transmits or remits Commonwealth revenues that are recorded in the state accounting system (MMARS) must be approved by the Comptroller to ensure compliance with state finance law, including security and internal control considerations to prevent fraud, waste and abuse. Any Department that is planning on procuring or instituting any process, application, software, hardware or other medium that will collect, handle, processes, transmits, remit or in any way touch revenue in any form must be approved in advance of implementation, procurement, vendor selection or use. The Comptroller reserves the right to review any system or process currently in use to review compliance with state finance law, including security and internal control considerations to prevent fraud, waste and abuse, and the Comptroller may make any recommendations for remediation or corrective action plans. Departments with any questions or seeking review should email: PRF59EREV@massmail.state.ma.us.

Vendor List:

The contract provides access to three payment solutions vendors supporting a wide range of services and enables users to engage in services based on their specific requirements. For the lifetime of the procurement, CTR reserves the right to select additional vendors from the original procurement for additional work as warranted, or to re-open the procurement to add or replace vendors.

The awarded vendors are listed below. Please refer to CommBuys at <https://www.commbuys.com/bsc/> for more information.

Please note that this contract is for Payment Solutions and that Card Processing was bid separately under PRF59designatedOSC. Each of these Payment Solutions Providers will work with the selected Card Processor, Vantiv.

	Vendors	MMARS Vendor Customer (VC) Code	Contact	Email Address	Phone Number
1	Grant Street Group, Inc.	VC6000229698	Daniel J. Veres	Dan.Verres@GrantStreet.com	412-391-5555 ext. 302
2	HP Enterprise Services, LLC	VC6000262513	Kenneth E. Leary	Kenneth.Leary@HP.com	508-776-9749
3	nCourt	VC0000804578	Kathleen Miller	kmiller@ncourt.com	770-293-1833

Services, Benefits, and Cost Savings:

The payment solutions vendors selected for the PRF59AdesignatedOSC Electronic Payment Solutions Statewide Contract provide the following services, benefits, and cost savings:

- Improved customer experience.
- Business process efficiency, streamlined back office reconciliation, and expedited funds settlement.
- Competitive per item rates and convenience fee program rates.
- Secure hosted web sites and interactive voice response (IVR) implementations customized to eligible entities' requirements.
- Technical support of the payment solution.
- Capacity to handle increasing volumes, as well as peaks in payments.
- Option for output files to update the entities' accounts receivable or billing systems as well as updates to MMARS.
- Complete end-to-end reporting.
- Capacity to provide services to multiple Commonwealth entities simultaneously.

- Availability of value added payment solution services (i.e., mobile, kiosk).
- Data security -- The selected vendors demonstrate leading industry standards in security, Payment Card Industry (PCI) compliance, and other protocols to ensure data security and reduce scope. All three vendors are certified on the Visa Global Registry of Service Providers and the MasterCard Compliant Service Provider lists.

Duration:

The initial duration of the Contract is the date of execution through January 31, 2019 with two additional one year options to renew. Statements of Work (SOW) will remain active for the duration of the contract unless the vendor is terminated for cause, without cause, or through legislative action. In addition, the contract may be extended under the same terms and conditions as needed for any period necessary to transition to a new procurement.

Engagements under a Statement of Work may be entered into at any time prior to the end date of the Contract for an authorized vendor, even if the period of the SOW extends beyond the end date of the Statewide Contract. Prior to the contract end date, vendors are required to support any transition of SOWs and to close out any SOW at the direction of the eligible entity, including returning any reports, data, or other information used during performance and submitting any final deliverables in accordance with the SOW engagement terms.

Eligible Entities:

The following eligible entities are required to use this Statewide Contract: Executive Offices, Departments, Agencies, Offices, Divisions, Boards, Commissions, or Institutions within the Executive Branch.

PRF59AdesignatedOSC may be used by:

- Constitutional Offices and Independent Executive Agencies
- Legislative and Judicial Branches, including all Departments and elected offices therein;
- Independent public authorities, boards, commissions, and quasi-public agencies;
- Cities, towns, districts, counties, and other political subdivisions;
- Local public libraries, public school districts, and charter schools;
- Public hospitals owned by the Commonwealth;
- Public institutions of higher education;
- Public purchasing cooperatives;
- Non-profit, UFR-certified organizations that are doing business with the Commonwealth; and
- Other entities when designated in writing by the State Purchasing Agent.

The Commonwealth reserves the right to add or remove additional eligible entities during the contract term. Each eligible entity is responsible for obtaining Requests for Quotes, executing Statements of Work, maintaining files of record, and paying its own invoices for goods and/or services acquired from this contract. Vendors will be responsible for marketing their goods and/or services to eligible entities.

Purchase Options and Pricing:

Services and pricing are effective September 15, 2015. This is a fee for service contract. For complete pricing information, see CommBuys. Vendors only receive payment after they invoice the eligible entity for fees negotiated as part of this contract for transaction fees, hardware, development fees, or other fees identified in the vendor response.

Current customers will see price changes (reductions in many areas) as of the first billing cycle after transition from PRF44designatedOSC is performed, if applicable.

Funding and Fees:

Each eligible entity accepting electronic payment solutions services shall be solely legally responsible for funding the entity's obligations under the Contract. Please note that eligible entities will be billed by the Payment Solutions vendors, and if offering credit and debit cards, may also be separately billed by Vantiv and, if applicable, American Express. The vendor(s) may not seek payment of such obligations from the Office of the State Comptroller or any other Commonwealth entity, nor shall any Commonwealth entity have any legal obligation to make payments for electronic payment solution services other than the entity requesting and accepting such services. Pricing for payment solution services is based on the options each entity chooses to implement. Commonwealth eligible entities may not negotiate separate terms from those posted on CommBuys without prior written approval from CTR.

Once a new engagement is completed, entities should work with the primary contact and electronic payment solutions vendor(s) to determine an estimated amount of fees and other costs for each fiscal year based upon historical or anticipated electronic payments usage. As a condition of the Contract, entities must encumber an estimated fees amount at the beginning of the fiscal year based upon the anticipated volume of transactions.

The options for funding electronic payment solutions programs are:

- **Operating Budget** -- When an entity agrees to accept electronic payments, the entity certifies that prior to the beginning of each fiscal year, and during the fiscal year, the entity shall be responsible for taking the necessary steps to ensure that there are sufficient funds for encumbrance and payment of associated fees and chargebacks. Entities will be required to suspend acceptance of electronic payments whenever the entity anticipates not having sufficient funds for associated fees. Seeking funding after the fact through the deficiency process or prior year deficiency process shall not be considered an appropriate funding mechanism and may subject the entity to cancellation of merchant approval to accept credit, debit, or ACH payments.
- **Retained Revenue** – Retained revenue accounts are subject to annual budget approval and require a cap in the amount of funds that may be retained and expended. Given that revenue intake from electronic payments cannot be accurately predicted, agencies may face situations when the cap is lower than needed to pay processing fees. Entities are responsible for ensuring that if fees are authorized to be spent from the retained revenue account, that the cap is sufficient to enable full payment of fees.
- **Statutory Language/Agency Trust Account** – Some agency trust accounts authorize expenditures to be paid from revenues posted to the trust account. Entities must ensure that sufficient amounts are set aside from revenues to ensure payment of transaction fees and that these amounts are not inadvertently obligated for other expenditures.
- **Convenience fees** – Entities may choose to fund their web and IVR programs by passing the associated fees on to the customer. A nominal convenience fee is charged to the customer at the time of purchase and collected per transaction directly by the vendor as a separate charge from the payment being made to the eligible entity. The fee can be a percentage of the transaction amount or a flat fee, but percentage based convenience fee programs take longer to implement due to card association program rules. Convenience fees are collected and retained by the payment solutions provider, never enter the Commonwealth's accounts, and appear as a separate charge on the customer's statement. Since the fee is charged solely to offset the entire cost of the

credit card transaction as a convenience to customers, an eligible entity will not receive an invoice from the payment solutions provider under this model. Note: Under Massachusetts law, convenience fees are prohibited at the point of sale, but may be implemented over the web or IVR.

How to Get Started for New Engagements:

1. Eligible entities should review this document (Contract User Guide) to ensure compliance with use of the Statewide Contract. Both eligible entities and the vendors have responsibilities for compliance with state finance laws, regulations, and rules.
2. Contact Patricia Davis, Office of the Comptroller (CTR) eCommerce Coordinator at PRF59EREV@Massmail.state.ma.us to discuss high level requirements, and for direction to CommBuys for contract details including the vendor Response, Pricing, Request for Quotes (RFQ), and Statement of Work (SOW) template documents.
3. CTR requires that eligible entities solicit three quotes for payment solutions under PRF59AdesignatedOSC using the RFQ template posted on CommBuys. Eligible entities must maintain the RFQ file of record. Eligible entities are encouraged to request a demo or webcast, dialogue directly with the vendors if desired, and select the vendor that best meets their requirements.
4. Once a vendor is selected, all eligible entities must complete the PRF59AdesignatedOSC Electronic Payment Solutions Statement of Work (SOW) template posted on CommBuys containing details of the engagement with either Grant Street Group, HP, or nCourt as outlined in this section.
 - a. Statements of Work will remain active for the duration of contract PRF59AdesignatedOSC unless the vendor is terminated for absence of funding or emergency; breach or default, reduction of funding or change in law; or without cause. Please see section 4 of the Commonwealth Terms and Conditions for more information.
 - b. The SOW is not a separate contract, but an engagement under the Statewide Contract PRF59AdesignatedOSC, incorporated by reference therein. The details of the engagement (services to be performed, schedule of performance completion dates, and pricing) should be finalized by updating the SOW that is executed by authorized signatories of the vendor and eligible entity.
 - c. Eligible entities must maintain the Statement of Work file of record.
 - d. Pricing for any SOW engagement may be equal to or less than, but not greater than, prices posted under the Contract.
 - e. Additional conflicting contract terms and conditions may not be included, referenced or attached to the SOW.
 - f. Engagements under a Statement of Work (SOW) may be entered into at any time prior to the end date of the Contract for an authorized vendor, even if the period of the SOW extends beyond the end date of the Statewide Contract.
5. The eligible entity and the vendor collaborate on finalizing and executing the Statement of Work. The eligible entity distributes the executed Statement of Work to all parties including CTR. Eligible entities may request a copy of the Contractor Authorized Signatory Listing (CASL) from CTR at PRF59EREV@massmail.state.ma.us that is used to validate authorized signatories for a Contractor.

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6. Once the SOW is executed, the eligible entity and/or vendor contact Patricia Davis, Office of the Comptroller (CTR) eCommerce Coordinator at PRF59EREV@massmail.state.ma.us to facilitate enrollment and coordinate a kickoff conference call to discuss detailed functional requirements, timeline, and scope.
7. Vendors are required to notify CTR by email to: PRF59EREV@massmail.state.ma.us when beginning a new engagement. Vendors are required to establish an on-boarding process that facilitates contract-wide reporting, and CTR may request a periodic status report of all engagements at any time from eligible entities and vendors.
8. All payments for this contract made by State Entities in the state accounting system MMARS must reference Master Agreement (MA) MAOSDPRF59AdesignatedOSC. If a transaction override is needed to encumber funds for engagements entered into prior to the end date of the Contract but extending beyond the end date, the entity should work with the CTR Contracts Bureau to facilitate the encumbrance and contact PRF59EREV@state.ma.us to validate the use of the Statewide Contract for an engagement.

How to Transition for Projects Already in Progress:

1. Eligible entities should review this document (Contract User Guide) to ensure compliance with use of the Statewide Contract. Both eligible entities and the vendors have responsibilities for compliance with state finance laws, regulations, and rules.
2. Contact Patricia Davis, Office of the Comptroller (CTR) eCommerce Coordinator at PRF59EREV@massmail.state.ma.us to discuss high level requirements, and for direction to CommBuys for contract details including the vendor Response, Pricing, Request for Quotes (RFQ), and Statement of Work (SOW) template documents.
3. Transition Requirements:

All eligible entities using the current Statewide contract (PRF44designatedOSC) must execute a PRF59AdesignatedOSC Electronic Payment Solutions Statement of Work (SOW) with Grant Street Group, HP, or nCourt as outlined in this section.

- a. If the payment solutions engagement was initiated under PRF44designatedOSC, and is already in development with HP, then the eligible entity must complete and execute a SOW to continue its relationship with HP as outlined in Section c below by December 31, 2015.
- b. If the payment solutions engagement was initiated under PRF44designatedOSC and is currently in production, then the eligible entity may complete and execute a SOW to continue to work with HP, or may choose to execute a SOW to facilitate transition to Grant Street Group or nCourt as outlined in this section (as applicable) by June 30, 2016. CTR considers this an eligible entity's business decision. If the eligible entity chooses to transition to Grant Street Group or nCourt, CTR requires that eligible entities solicit two quotes using the RFQ template posted on CommBuys. Eligible entities must maintain the RFQ file of record. Eligible entities are encouraged to request a demo or webcast, dialogue directly with the vendors if desired, and select the vendor that best meets their requirements.
- c. Once a vendor is selected, all eligible entities must complete the PRF59AdesignatedOSC Electronic Payment Solutions Statement of Work (SOW) template posted on CommBuys containing details of the engagement with either Grant Street Group, HP, or nCourt as outlined below.
 - i) Statements of Work will remain active for the duration of contract PRF59AdesignatedOSC unless the vendor is terminated for absence of funding or emergency; breach or default, reduction of funding or change in law; or without cause. Please see section 4 of the Commonwealth Terms and Conditions for

more information.

- ii) The SOW is not a separate contract but an engagement under the Statewide Contract PRF59AdesignatedOSC incorporated by reference therein. The details of the engagement (services to be performed, schedule of performance completion dates, and pricing) should be finalized by updating the SOW that is executed by authorized signatories of the vendor and eligible entity.
 - iii) Eligible entities must maintain the Statement of Work file of record.
 - iv) Pricing for any SOW engagement may be equal to or less than, but not greater than, prices posted under the Contract.
 - v) Additional conflicting contract terms and conditions may not be included, referenced or attached to the SOW.
 - vi) Engagements under a Statement of Work (SOW) may be entered into at any time prior to the end date of the Contract for an authorized vendor, even if the period of the SOW extends beyond the end date of the Statewide Contract.
4. The eligible entity and the vendor collaborate on finalizing and executing the Statement of Work. The eligible entity distributes the executed Statement of Work to all parties including CTR. Eligible entities may request a copy of the Contractor Authorized Signatory Listing (CASL) from CTR at PRF59EREV@massmail.state.ma.us that is used to validate authorized signatories for a Contractor.
 5. Once the SOW is executed, the eligible entity and/or vendor contact Patricia Davis, Office of the Comptroller (CTR) eCommerce Coordinator at PRF59EREV@massmail.state.ma.us to facilitate enrollment and coordinate a kickoff conference call to discuss detailed functional requirements, timeline, and scope.
 6. Vendors are required to notify CTR by email to: PRF59EREV@massmail.state.ma.us when beginning a new engagement. Vendors are required to establish a boarding process that facilitates contract-wide reporting and CTR may request a periodic status report of all engagements at any time from eligible entities and vendors.
 7. All payments for this contract made by State Entities in the state accounting system MMARS must reference Master Agreement (MA) MAOSDPRF59AdesignatedOSC. If a transaction override is needed to encumber funds for engagements entered into prior to the end date of the Contract but extending beyond the end date, the entity should work with the CTR Contracts Bureau to facilitate the encumbrance and contact PRF59EREV@state.ma.us to validate the use of the Statewide Contract for an engagement.

Terms of the Contract:

Additional non-conflicting terms related to service performance details that comply with the required terms of the RFR may be added to a Statement of Work (SOW) engagement as published for this Statewide Contract, provided the intent or effect of the language does not supersede or replace the language of the Contract and this Contract User Guide.

How to Pay the Vendors:

All associated fees payable to Grant Street Group, HP, and nCourt incurred on or after SOW execution should no longer be associated with MAOSDPRF44designatedOSC in MMARS. Encumbrances (CTs) against the new contract must reference Master Agreement (MA) MAOSDPRF59AdesignatedOSC and should be entered for electronic payments charges incurred from SOW execution going forward. Entities must encumber sufficient funds for anticipated costs for



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the remaining months of the fiscal year and monitor expenses to ensure sufficient funds are available to make payments for all transaction fees.

VANTIV TRANSITION: Please note that if your entity currently accepts Visa, MasterCard, or Discover, your entity will need to establish new merchant accounts under the new contract with Vantiv. Once the transition from Bank of America to Vantiv occurs, you will likely have overlap in statements and invoices for a time. In addition, settlement, reporting, chargebacks, and customer service will be provided by Vantiv going forward. These merchant accounts will be transitioned in phases, so expect outreach from CTR once these transitions begin. Please contact Patricia Davis at PRF59EREV@massmail.state.ma.us with any transition questions.

AMERICAN EXPRESS TRANSITION: Please note that your merchant account with American Express will not change at this time. However, please note that all associated fees payable to American Express Travel Related Services Co. Inc., incurred on or after SOW execution should no longer be associated with MAOSDPRF44designatedOSC in MMARS. Encumbrances (CTs) against the new contract must reference Master Agreement (MA) MAOSDPRF59designatedOSC and should be entered for electronic payments charges incurred from SOW execution going forward.

CLOSEOUT OF DORMANT ACCOUNTS: **Please note that if your entity is set up with electronic payment solutions and the implementation has not transacted any business for more than two years via any/all payment methods or channels, contact Patricia Davis at PRF59EREV@massmail.state.ma.us to discuss closing out these accounts.

Payment Card Industry (PCI) Compliance

PCI Data Security Standard (DSS) is a mandatory compliance program of the major credit card associations to create common industry security requirements for cardholder data. The PCI DSS is a multifaceted security standard that includes requirements for security management, policies, procedures, network architecture, software design and other critical protective measures. PCI Compliance is required for all Commonwealth entities conducting electronic commerce, regardless of merchant level, channel, or method. This section provides information about our approach in meeting this challenge.

When accepting credit cards, each Commonwealth entity operates as a “merchant”. If your entity accepts electronic payments via any means (e.g., mail, mobile, cashier window, swipe terminal, kiosk, telephone, or the web), then adherence to these standards is mandatory under payment card brand rules and current Comptroller policy. For more details on this joint Comptroller/ITD policy, see the [Payment Collection Data Security Policy](#).

The primary focus of the PCI standards is to help merchants (in our case, Commonwealth entities) improve the safekeeping of electronic payments information by tightening overall security. This overall review reduces the chances of experiencing security breaches, fraud, and potential catastrophic financial losses, penalties, and loss of trust in Commonwealth public facing applications. Merchants found to be non-compliant with the respective security requirements may be subject to substantial fines and penalties in the event of a data breach. More information about PCI Compliance can be found at <https://www.pcisecuritystandards.org/>.

PRF56designatedOSC is the statewide contract procured to provide consulting, validation, and network scanning services to Commonwealth entities. The contract consists of seven qualified vendors: Qualified Security Assessors (QSAs), Approved Scanning Vendors (ASVs), and Non-PCI Data Security Audits. For details on this contract, go to www.CommBuys.com and search for PRF56designatedOSC or Master Blanket Purchase Order PO-14-1079-1079C-1079C-00000001430.

It is of the utmost importance to have citizens feel secure about transacting electronic business with the Commonwealth. The PCI compliance initiative will enable us to ensure that we are doing all we can to protect our citizen’s sensitive credit card information.